

Department of Insurance

MISSION STATEMENT

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The mission of the Department of Insurance is to enforce the insurance laws and regulations of the State impartially, honestly and expeditiously. To this end, the highest ethical, professional and work quality standards will be exercised in all formal and informal relationships with individuals, agencies and companies affected by the policies and actions of the Department. It is the Department’s commitment to be the best insurance regulatory agency in the United States.

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Commissioner of Insurance
State of Louisiana

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To: The Honorable M. J. "Mike" Foster, Jr.
Governor, State of Louisiana

The Honorable John J. Hainkel, Jr.
President, Louisiana State Senate

The Honorable Charles W. "Charlie" Dewitt
Speaker, Louisiana State House of Representatives

The Honorable Gregory W. "Greg" Tarver, Sr.
Chairman, Louisiana State Senate Committee on Insurance

The Honorable James J. "Jim" Donelon
Chairman, Louisiana State House of Representatives Committee on Insurance

Louisiana State Senators and Representatives
Citizens of the State of Louisiana

Pursuant to LA R.S. 36§682, LA R.S. 22§1219 and LA R.S. 22§1921, the Louisiana Department of Insurance, respectfully submits its 1999-2000 Annual Report covering the fiscal period of July 1, 1999 through June 30, 2000.

Over the past year, we have seen many changes in the insurance industry and financial services market. The playing field has changed significantly since last year's passage of financial services modernization legislation. Facing the demands of this "ever changing environment" will test us, but we are up to the task. This year we will continue to deal with the challenges and opportunities presented by the rapid advancement of electronic commerce, privacy issues, new insurance products and a rapidly expanding foreign market. We must use every tool available to us to keep pace with the rapidly evolving marketplace while effectively protecting Louisiana's insurance consumers.

The Louisiana Department of Insurance has once again lived up to its commitment to be the best insurance regulatory agency in the United States. We are always cognizant of the fact that we are the stewards of the estimated \$9 billion Louisianians spend annually on insurance. It is a job we take seriously and accept with great pride.

I am pleased to tell you that a new national report, issued by the Washington D.C.-based Consumer Federation of America, **gave Louisiana an A+ rating** for being adequately funded to protect insurance consumers around the state. The national rating is part of a regular review of state consumer insurance regulation around the country to identify how well states are doing in supplying needed resources for consumer protection.

(continued on next page)

The Louisiana Department of Insurance operates with self-generated funds. The report examined the resources allocated to insurance regulators around the country, based on the volume of insurance activity. Only six other states received an A+ rating.

We have worked hard to develop a well qualified staff and obtain adequate funding from the Legislature to protect policyholders in Louisiana. The Legislature has worked well with us to see that the Department has the funds to examine insurance companies doing business in Louisiana and provided funding for such things as the formation of a task force to fight fraud, and we've seen to it that complaints from consumers are promptly investigated.

To highlight the Department’s key achievements last year:

- Returned \$2.35 million to the state in unused funds budgeted for the 1999 fiscal year because of a number of efficiency measures implemented throughout the year.
- Generated over \$157 million in fees, premium taxes, and penalties to contribute to Louisiana’s General Revenue Fund.
- Implemented aggressive anti-fraud activities of the LA Department of Insurance along with the LA State Police, and the LA Department of Justice to send a strong message to perpetrators that there are serious consequences for inflicting insurance fraud on Louisiana consumers. **Claims fraud** in Louisiana for all lines of insurance is estimated at **\$2.4 billion** annually.
- Continued the fight to reduce the rate of uninsured motorists and automobile liability insurance rates in response to automobile insurance reform legislation, such as the automobile impoundment law and the “no pay, no play” legislation.
- Recognized as a leader in finding ways to offer better healthcare for thousands of citizens in Louisiana, such as the creation of the Office of Health Insurance staffed with qualified personnel to respond to the multitude of healthcare and health insurance demands by consumers, insurers, and providers in Louisiana.
- Signed the Uniform Treatment Declaration which creates barrier-free reciprocity to non-resident producer licensing with other participating states. This nationally coordinated approach achieves greater uniformity in the non-resident licensing process, as well as addressing restrictions on sales and solicitation by non-resident producers.

We will continue to find ways to serve the marketplace according to the highest standards. It is my pledge to utilize our resources in the most efficient, effective and productive manner possible to better serve the people of Louisiana.


Sincerely yours,

J. Robert Wooley
Acting Commissioner of Insurance

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